

1
2 UNITED STATES DISTRICT COURT
3 FOR THE DISTRICT OF MASSACHUSETTS

4 ARY JEWELERS, LLC,)

5 Plaintiff,)

6 vs.)

No. C.A. No. 04

CV 10281EFG

7 IBJTC BUSINESS CREDIT)

8 CORP. AND DAVID MOLINARO,)

9 Defendant.)

10
11 DEPOSITION OF ABDUL RAZZAK
12 New York, New York
13 Tuesday, May 10, 2005
14
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19
20

Reported by:

21 NANCY SILBERGER

JOB NO. 173087

22
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25
EXHIBIT

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2 Fischler, and I represent the defendants in
3 the lawsuit, ARY Jewelers LLC versus IBJTC
4 Business Credit Corp., and David Molinaro.
5 I'm going to ask you some questions today
6 about the case, and if anything I ask you is
7 unclear, please ask me to repeat it and I'll
8 be happy to do that.
9 A. Yes.
10 Q. Is that okay?
11 A. Yes.
12 Q. Do you speak English at all?
13 A. I can speak businessman's English,
14 but I am not well-educated in that.
15 Q. Are you familiar with a business
16 known as the ARY Group?
17 A. Yes, I am.
18 Q. What is your position in the ARY
19 Group?
20 A. Different places I have different
21 position. Which place you are asking for?
22 Q. Well, I have seen you described as
23 the chairman of the ARY Group; are you the
24 chairman?
25 A. Yes.

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2 excess of 1.1 billion dollars U.S.; is that
3 accurate?
4 A. They are different. I cannot tell
5 you the exact figure because it's -- there
6 are variations in there.
7 Q. Has the ARY Group ever had annual
8 revenues in excess of one billion dollars
9 U.S.?
10 A. Revenue has never been one billion
11 dollars. Annual profit has never been one
12 billion.
13 Q. I'm not asking about profit. I'm
14 asking about revenue.
15 A. It can be more than that because we
16 have in different countries, like in
17 Pakistan, in Dubai and England, and America,
18 also.
19 Q. In 2004, approximately what were
20 the revenues of the ARY Group of companies?
21 A. I can see the balance sheet and
22 then tell you.
23 Q. As the chairman of the group, do
24 you know, approximately, the revenues or
25 sales of the company for 2004?

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Page 9

1
2 Q. What is the ARY Group; what
3 business is it in?
4 A. We deal in silver and gold and
5 property, gold refinery, and we are also a
6 television channel.
7 Q. Are there separate companies within
8 the group for each of the businesses you just
9 named?
10 A. They are in different names.
11 MR. FISCHLER: Different companies.
12 THE INTERPRETER: Different
13 companies.
14 Q. I have seen the ARY Group described
15 as a family-owned business; is that correct?
16 A. Yes.
17 Q. What is your ownership interest in
18 the ARY Group of companies?
19 A. I am the main person, as I am the
20 chairman of the group.
21 Q. Are you involved in the operations
22 of the companies within the group?
23 A. Yes, I am.
24 Q. I have seen materials on the
25 Internet that the ARY Group has sales in

1
2 A. In 2004, we have done a lot of
3 jobs, and after we finish the work, then I
4 can say how much is worth. Approximately,
5 it's from 400 to 500 million profit, which is
6 dirhams, D-I-R-H-A-M-S.
7 Q. Do you know, approximately, how
8 much profit that translates into in U.S.
9 dollars?
10 A. Almost 150 million dollars.
11 Q. How much of the ARY Group is owned
12 by you and your family members?
13 A. Nobody is from outside. Is hundred
14 percent family-owned.
15 Q. Does the ARY Group have business
16 interests in the United States presently?
17 A. Not right now. It's small. Not
18 particularly -- it's small, but not
19 significant, not big one.
20 Q. What business is the ARY Group
21 conducting in the United States?
22 A. It's gold -- I deal in gold.
23 Q. Did the ARY Group attempt to
24 purchase a business in the United States
25 known as Krigel's Jewelers at some point in

3 (Pages 6 to 9)

1
2 A. As I said before--- now the
3 question is clear. Whatever we've done, the
4 commitment, we completed that.

5 Q. I understand, but my question is
6 something different. What I'm trying to
7 learn is, if ARY wished to pay, could --

8 A. The promise I made, I have
9 fulfilled that, and now it was their duty to
10 follow the terms and conditions as it was in
11 there.

12 Q. How much cash did the ARY Group
13 have in -- at the time the agreement with
14 Krigel's was signed?

15 A. One point five million. We have
16 sent it, and after that there was supposed to
17 be second repayment. The leftover payment,
18 we have already sent there and it was laying
19 in Kansas City.

20 Q. Okay. I understand all that.
21 Again, my question is something different.

22 I'm trying to understand whether
23 ARY had the financial ability, if it wished,
24 to pay cash for the business?

25 A. In business, it's always planning.

1
2 I can pick up the phone right now, and if you
3 want to buy ten million dollars worth of
4 gold, I can lend.

5 Q. If I wish to buy 20 million dollars
6 worth of gold, could you lend me the money
7 for that?

8 A. Being it all happens with the
9 person comes from the street, that cannot be
10 done.

11 Q. If a person with an acceptable
12 background came to you, would the ARY Group
13 have the financial capability to do that?

14 A. If there's a marginal profit in the
15 deal, then it can be done.

16 Q. Was that true in 2001, as well?

17 A. Yes, with the grace of God.

18 Q. How did ARY determine how much it
19 was willing to pay for Krigel's?

20 A. The main thing is that it was a
21 running business. And any new person, if he
22 goes into the new business just to kill the
23 time, overlooking all the matters, then we
24 put the price.

25 Q. I don't understand the reference to

Page 15

Page 17

1
2 And with this -- in this planning, it was
3 decided a portion of it was -- we'll give it
4 to them, and the rest of the portion will be
5 from the bank.

6 Q. If ARY wished to plan to pay in
7 cash and not to obtain outside financing,
8 could it have done that?

9 A. But he -- when it was the -- there
10 was terms and conditions. We have complied
11 with that.

12 Q. Was ARY in a position to pay cash
13 for the business if it wished to do so?

14 A. It was in a position. We didn't
15 have only one business. It's in different
16 countries and there are different
17 commitments, and we have to fulfill all the
18 commitments.

19 Q. Are you aware that Mr. Hussein told
20 others that ARY could have paid cash for
21 Krigel's if it wished to do so?

22 A. No, I don't know. I just want to
23 add one thing. The person who's dealing in
24 gold anywhere in the world, it's verbally and
25 it's a promise which carries on the business.

1
2 killing time. Could he explain that?

3 A. Like coming to this country, then
4 I'll start from one, and if I have to reach
5 to 20, how much time it will take. Killing
6 time means that.

7 Q. Do you mean that you would start
8 with one jewelry business and build to 20; is
9 that what you are saying?

10 A. Yes. What I meant was, it was both
11 a chain and if the chain was ready in that
12 case.

13 Q. Who gave Mr. Hussein the authority
14 to sign the agreement on behalf of ARY?

15 A. It happened on that very day. I
16 had a fever and I was in Houston. I had my
17 seat confirmed to leave there, but doctor
18 advised me not to travel, so I asked him to
19 sign.

20 Q. So you authorized Mr. Hussein to
21 sign the agreement; is that true?

22 A. Only for that occasion.

23 Q. How did you determine that the
24 price in the agreement was acceptable?

25 A. My life, I've been dealing in this

5 (Pages 14 to 17)

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2 bearing. I travel back and forth. I am not
3 on bail, not any kind of restriction on me.
4 Q. What is the nature of the case that
5 has no bearing?
6 A. Which you have read in the
7 newspaper, I also read in the newspapers.
8 Legally, I have never been given any kind of
9 document concerning this.
10 Q. So it's the case I've read about in
11 the newspaper that's pending?
12 A. It's pending in the newspaper only.
13 Q. Earlier in your testimony you
14 referred to lawsuits in which ARY has been
15 involved in the United States related to the
16 Krigel transaction.
17 A. Yes.
18 Q. Do you recall that you submitted
19 statements in the course of those lawsuits?
20 A. What do you mean by that?
21 MR. CARRIGAN: Are you referring to
22 afterwards?
23 MR. FISCHLER: I'll just show him
24 instead of trying to describe it.
25 (Defendant's Exhibit B, Declaration

1
2 in Kansas City named Max Jevinsky?
3 A. I went there. I can see the name
4 and then I can tell you.
5 Q. Do you recall that Mr. Jevinsky was
6 one of the attorneys for ARY in the lawsuit
7 in Kansas City?
8 A. Can I see the paper? Actually, I
9 don't remember, but if it's a paper, then
10 it's okay.
11 Q. After you decided not to proceed
12 with the Krigel transaction, did you attempt
13 to buy any other jewelry businesses in the
14 United States?
15 A. No.
16 Q. Why is that?
17 A. I was disheartened.
18 Q. Did you conclude that a business
19 similar to Krigel's would not be sufficiently
20 profitable for the ARY Group?
21 A. No -- it was not that matter, but
22 because these people went for litigation and
23 everything was just wasted.
24 Q. After you determined not to accept
25 financing from Foothill, did you attempt to

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1
2 of Harvey Razzak, marked for
3 identification, as of this date.)
4 Q. I have shown you a document that
5 has been marked Exhibit B, which appears to
6 be a declaration that you submitted in one of
7 the lawsuits in Missouri relating to the
8 Krigel transaction; do you recognize this
9 document?
10 (Witness perusing document.)
11 A. If it's my signature, then it's
12 okay.
13 Q. Are the statements that you make in
14 this document true?
15 A. Yes.
16 Q. Let me show you another document
17 marked Exhibit A. This appears to be a letter
18 that you sent to Scott Krigel, dated April 5,
19 2001. Do you recognize it?
20 (Witness perusing document.)
21 A. Yes.
22 Q. Are the statements in that letter
23 true?
24 A. Yes.
25 Q. Are you familiar with an attorney

1
2 obtain financing from any other institution?
3 A. Scott Krigel did try for that.
4 Q. And what institution did he attempt
5 to obtain financing from?
6 A. I don't remember the name.
7 Q. Was he able to obtain financing?
8 A. No.
9 Q. Do you know why not?
10 A. He didn't tell me about that.
11 Q. Did you ever speak with any
12 representative of the corporate defendant, in
13 this case, IBJ?
14 A. I never talk with them.
15 MR. FISCHLER: Can we break now for
16 a short lunch?
17 (A lunch recess is taken.)
18 AFTERNOON SESSION
19 (Time noted: 2 p.m.)
20 ABDUL RAZZAK, resumed and testified
21 as follows:
22 EXAMINATION BY (Cont'd.)
23 MR. FISCHLER:
24 Q. Have you had any discussions, that
25 you can recall, with representatives of

12 (Pages 42 to 45)